

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF OWEN COUNTY RURAL)	
ELECTRIC COOPERATIVE CORPORATION OF )	
OWENTON, KENTUCKY, FOR AN ORDER )	
AUTHORIZING THE APPROVAL OF A RETAIL)	CASE NO. 89-045
MARKETING RATE FOR SPECIAL RETAIL )	
APPLICATIONS )	

O R D E R

On February 28, 1989, Owen County Rural Electric Cooperative Corporation ("Owen County RECC") filed a revision to its retail electric tariffs. The revision provides for an off-peak retail marketing rate for special retail applications.

The retail marketing rate is designed to offer a 40 percent discount to the energy rate of Schedule I - Farm and Home to consumers eligible for that same tariff. This rate offering is in conjunction with the Marketing Rate of the Wholesale Power Rate Schedule A of East Kentucky Power Cooperative, Inc. ("EKPC") approved by the Commission in Case No. 10281.<sup>1</sup> This wholesale power marketing rate offers to Owen County RECC and EKPC's other member cooperatives a 20 percent discount to the current wholesale power energy rate for off-peak power used for designated marketing programs.

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<sup>1</sup> Case No. 10281, The Notice of East Kentucky Power Cooperative, Inc. of a Revision to Its Wholesale Electric Power Tariff to Implement a Wholesale Power Marketing Rate for Special Retail Applications.

The initial application of Owen County RECC's marketing rate will be for the use of Electric Thermal Storage ("ETS") devices. ETS is a technology that allows heat to be stored in one time period and used in another. Specifically, the ETS device can be controlled by the utility to store heat at night during off-peak hours and to discharge heat as needed, with no contribution to peak load.

The Commission has previously allowed electric utilities to charge special rates for power used by ETS devices. In December 1986, we permitted South Kentucky Rural Electric Cooperative Corporation and EKPC to conduct a 3-year pilot program involving ETS units. The load research data produced by that program indicates that ETS is a favorable off-peak load building technique which improves load factor.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that Owen County RECC's Off-Peak Retail Marketing Rate should be approved.

IT IS THEREFORE ORDERED that:

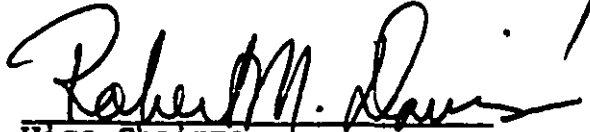
1. Owen County RECC's Schedule I-A - Farm and Home Off-Peak Retail Marketing Rate Tariff as filed with the Commission on February 28, 1989 be and hereby is approved.

2. Within 20 days of the date of this Order, Owen County RECC shall file with this Commission a tariff complying with the findings of this Order.

Done at Frankfort, Kentucky, this 3rd day of April, 1989.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director